

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 262

Introduced by Assembly Member Bass
(Coauthor: Assembly Member Fuentes)

February 11, 2009

An act to amend Sections 25450, 25450.1, and 25450.3 of, to add Section 25450.4 to, and to repeal and add Section 25450.2 of, the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 262, as amended, Bass. American Recovery and Reinvestment Plan: energy activities, programs, or projects.

Existing law requires the Public Utilities Commission, State Energy Resources Conservation and Development Commission (*Energy Commission*), and the Department of Water Resources to undertake various programs related to energy and water conservation.

This bill would require that any moneys received by the state pursuant to the federal American Recovery and Reinvestment ~~Plan Act of 2009~~ that are directed for ~~energy-related~~ *energy-related* activities, programs, or projects, be administered by the state's energy and water agencies, and provide that those activities, programs, or projects should adhere to the principle of accountability while also adhering to existing state policies to promote energy efficiency, promote water conservation, promote the development and use of renewable energy resources, protect the environment, and provide green job training.

Existing law requires the Energy Commission to administer funds allocated to and received by the state pursuant to the federal Energy Independence and Security Act of 2007. Existing law provides that not

more than 5% of the funds received is to be expended for administrative expenses.

This bill would additionally require the Energy Commission to administer funds allocated and received by the state pursuant to the American Recovery and Reinvestment Act of 2009 and would increase the amount expended for administration expenses for these two purposes to not more than 10%. The bill would authorize the Energy Commission to adopt guidelines governing the awarding, eligibility, and administration of those federal funds.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Any moneys received pursuant to the federal
2 American Recovery and Reinvestment ~~Plan~~ Act of 2009 (*Public*
3 *Law 111-5*) that are directed for ~~energy-related~~ *energy-related*
4 activities, programs, or projects, including energy efficiency and
5 *renewable energy* programs, projects for the building of electrical
6 transmission, and activities to create conservation or “green-collar”
7 jobs, shall be administered by the appropriate state energy and
8 water agencies and should adhere to the principle of accountability
9 while also adhering to existing state policies to promote energy
10 efficiency, including green building practices, promote water
11 conservation, promote the development and use of renewable
12 energy resources, protect the environment, and provide green job
13 training.

14 SEC. 2. *Section 25450 of the Public Resources Code is*
15 *amended to read:*

16 25450. (a) The Legislature finds and declares all of the
17 following:

18 ~~(1) The cost of energy in California is increasing and creating~~
19 ~~greater demands on local governments’ operating budgets.~~

20 ~~(2)–~~

21 (1) The 100th Congress enacted the Energy Independence and
22 Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) ~~that provides~~
23 *that establishes an energy efficiency and conservation block grant*
24 *program to provide grants to eligible entities, including states and*
25 *local governments, to help them reduce fossil fuel emissions,*

1 improve energy efficiency, and reduce overall energy—use
2 *consumption.*

3 ~~(3)—~~

4 (2) Section 545(c)(1)(A) of the Energy Independence and
5 Security Act of 2007 (42 U.S.C. Sec. 17155(c)(1)(A)) mandates
6 that states receiving block grants under the act use not less than
7 60 percent of the grant amount to provide subgrants to local
8 governments that are not eligible entities for the purposes of the
9 act.

10 (3) *The 111th Congress enacted the American Recovery and*
11 *Reinvestment Act of 2009 (Public Law 111-5) that appropriates*
12 *funds for energy efficiency and conservation, water conservation,*
13 *home weatherization, green workforce development, and renewable*
14 *energy.*

15 (b) ~~It is the intent of the Legislature to fully~~ *that the state achieve*
16 *the purposes and implement the requirements for for these energy*
17 *and conservation block grants provided pursuant to the Energy*
18 *Independence and Security Act of 2007 and that the funds allocated*
19 *to the state pursuant to that act be administered by the commission*
20 *grant programs in the most expedient manner possible. Moreover,*
21 *to the extent possible without causing undue delay, the commission*
22 *shall look to the Energy Independence and Security Act of 2007*
23 *and the American Recovery and Reinvestment Act of 2009*
24 *programs and make policy decisions that leverage and maximize*
25 *the use of these dollars, including, but not limited to, the areas of*
26 *energy efficiency, renewable energy, water efficiency,*
27 *weatherization, and green workforce development.*

28 ~~(e) It is the intent of the Legislature to strive to maximize the~~
29 ~~opportunity to allocate funds toward the most cost-effective energy~~
30 ~~efficiency projects, and when allocating funds toward~~
31 ~~administration, the commission should use the 5-percent allowable~~
32 ~~administrative expenses as a ceiling and improve efficiencies to~~
33 ~~allocate less than the allowable amount.~~

34 *SEC. 3. Section 25450.1 of the Public Resources Code is*
35 *amended to read:*

36 25450.1. ~~Funds—~~*(a) The commission shall administer funds*
37 *allocated to and received by the state pursuant to the Energy*
38 *Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et*
39 *seq.) shall be administered by the commission and the American*
40 *Recovery and Reinvestment Act of 2009 (Pub. Law No. 111-5).*

1 (b) *The commission may award grants from funds received*
2 *pursuant to the Energy Independence and Security Act of 2007*
3 *and the American Recovery and Reinvestment Act of 2009, as well*
4 *as enter into contracts to perform functions required to promptly*
5 *award energy efficiency and conservation block grants.*

6 *SEC. 4. Section 25450.2 of the Public Resources Code is*
7 *repealed.*

8 ~~25450.2. (a) Not less than 60 percent of the funds received~~
9 ~~pursuant to Section 25450.1 shall be used to provide cost-effective~~
10 ~~energy efficiency and conservation grants to cities with a~~
11 ~~population of less than 35,000 and counties with a population of~~
12 ~~less than 200,000, and be prioritized based on cost-effective energy~~
13 ~~efficiency.~~

14 ~~(b) The remaining funds received pursuant to Section 25450.1~~
15 ~~shall be used to provide cost-effective energy efficiency and~~
16 ~~conservation grants to eligible entities consistent with the Energy~~
17 ~~Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et~~
18 ~~seq.), and be prioritized based on cost-effective energy efficiency.~~

19 *SEC. 5. Section 25450.2 is added to the Public Resources Code,*
20 *to read:*

21 *25450.2. The commission shall administer the funds received*
22 *pursuant to Section 25450.1 in accordance with all applicable*
23 *federal requirements regarding the use of those funds.*

24 *SEC. 6. Section 25450.3 of the Public Resources Code is*
25 *amended to read:*

26 ~~25450.3. Not The commission shall expend not more than 5~~
27 ~~10 percent of the funds received pursuant to Section 25450.1 shall~~
28 ~~be expended for administrative expenses, including, that shall~~
29 ~~include, but are not limited to, the combined administration~~
30 ~~program costs, indirect costs, overhead, reporting and evaluation~~
31 ~~activities required by the Energy Independence and Security Act~~
32 ~~of 2007 (42 U.S.C. Sec. 17001 et seq.) and costs associated with~~
33 ~~the Statewide Cost Allocation Plan, including those administration~~
34 ~~program costs, indirect costs, and overhead costs of all other public~~
35 ~~and private entities associated with the disbursement, the~~
36 ~~expenditure of funds, or both the disbursement and expenditure.~~

37 *SEC. 7. Section 25450.4 is added to the Public Resources Code,*
38 *to read:*

39 *25450.4. (a) The commission may adopt guidelines governing*
40 *the award, eligibility, and administration of funding pursuant to*

1 *this chapter at a publicly noticed meeting. For the initial adoption*
2 *of guidelines, the commission shall provide written notice to the*
3 *public of not less than 30 days. For substantive amendments to*
4 *the guidelines, the commission shall provide written notice to the*
5 *public of not less than 10 days. Notwithstanding any other law,*
6 *guidelines adopted pursuant to this chapter shall be exempt from*
7 *the requirements of Chapter 3.5 (commencing with Section 11340)*
8 *of Part 1 of Division 3 of Title 2 of the Government Code.*

9 *(b) Awards made pursuant to this chapter are subject to appeal*
10 *to the commission upon a showing that factors other than those*
11 *described in the guidelines adopted by the commission were*
12 *applied in making the awards and payments.*